

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

In re:) Chapter 11
)
EASTERN LIVESTOCK CO., LLC,) Case No. 10-93904-BHL-11
)
Debtor.)

NOTICE OF MOTION TO COMPROMISE, OBJECTION DEADLINE AND HEARING

James A. Knauer, as chapter 11 trustee (the "Trustee") for Eastern Livestock Co., LLC ("Eastern"), hereby moves the Court, pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure, to approve the proposed compromise between Eastern, Friona Industries, L.P. ("Friona"), Cactus Growers, Inc. ("Cactus"), J&F Oklahoma Holdings, Inc. ("J&F")¹ and Fifth Third Bank ("Fifth Third") pursuant to the *Motion To Approve Compromise Of Controversy Between Eastern, Friona, Cactus, J&F And Fifth Third* (the "Motion") filed on November 14, 2012 (Docket No. 1529). In support thereof, the Trustee states as follows:

1. Plaintiffs shall receive the following sums, representing a discount of five percent (5%) of prepetition or priority recoupment and offset claims: Friona – \$745,669.84, Cactus – \$609,000.56, and J&F – \$313,003.23 (the "Settlement Amounts"), to be made from the Interpleader Funds.
2. Upon entry of the Settlement Order and the disbursement of the Settlement Amounts, Friona, J&F Cactus, the Trustee, and Fifth Third shall release and discharge certain claims as set forth in the Settlement Agreement and Mutual Release. Plaintiffs' participation in the interpleader adversary proceeding and other litigation in the chapter 11 case then will be concluded.
3. Notwithstanding the releases of the Plaintiffs, the Plaintiffs reserve, set aside, and except the five percent (5%) discount that each is granting, which shall be converted to an allowed unsecured claim in the chapter 11 case. These claims shall be reflected in amended proofs of claim the Plaintiffs agree to file upon their receipt of the Settlement Amounts.
4. Notwithstanding the releases of J&F, Fifth Third, Eastern, and the Trustee, J&F, Fifth Third, Eastern and the Trustee agree that funds represented by J&F's payment identified in its pleadings as derived from a check in the amount of \$52,227.60 paid into the Interpleader Fund should be withdrawn from the Interpleader Fund as mistakenly paid and returned to J&F.

NOTICE IS GIVEN that any objection to the relief requested in the Motion must be filed in writing in accordance with Local Rule S.D. Ind. B-9013-1 with the Clerk's Office and served on the attorney for the moving party on or before December 5, 2012. Those not required or not permitted to file electronically must delivery any objection by U.S. mail, courier, overnight/express mail, or in person at:

Clerk, U.S. Bankruptcy Court
110 U.S. Courthouse
121 W. Spring St.
New Albany, IN 47150

¹ Friona, Cactus, and J&F are referenced collectively hereafter as the "Plaintiffs."

The objecting party must ensure delivery of the objection to the party filing the Motion. **If an objection is NOT timely filed, the requested relief may be granted.**

The Court will hold a hearing on the Motion on:

Date: December 7, 2012
Time: 10:00 a.m. EST
Place: 121 W. Spring Street, Room 103, New Albany, Indiana

The dial-in telephone number for interested parties to participate in the hearing by conference call is 1-888-399-7768; passcode 586676, followed by the pound ("#") key.

A copy of the Motion is available on the Court's PACER site at <http://pacer.insb.uscourts.gov>, or on the Trustee's blog at www.easternlivestockbkinfo.com, or on the noticing agent's website at www.bmcgroup.com/easternlivestock, or by contacting Kevin M. Toner, counsel to the Trustee, at kevin.toner@faegrebd.com or via telephone at (317) 237-0300.

WHEREFORE, the Trustee moves the Court for an order approving the compromise as filed in this matter.

FAEGRE BAKER DANIELS LLP

By: /s/ Kevin M. Toner

James M. Carr (#3128-49)
Kevin M. Toner (#11343-49)
Terry E. Hall (#22041-49)
Dustin R. DeNeal (#27535-49)
300 N. Meridian Street, Suite 2700
Indianapolis, IN 46204-1782
Telephone: (317) 237-0300
Facsimile: (317) 237-1000
jim.carr@faegrebd.com
kevin.toner@faegrebd.com
terry.hall@faegrebd.com
dustin.deneal@faegrebd.com

Wendy W. Ponader (#14633-49)
600 East 96th Street, Suite 600
Indianapolis, IN 46240
Telephone: (317) 569-9600
Facsimile: (317) 569-4800
wendy.ponader@faegrebd.com

Counsel for James A. Knauer, Chapter 11 Trustee